lends support to the defendants' testimony that the ground was wet and slippery at that time making it difficult for a car that is out of control and with a punctured tyre to come to a complete stop.

From the evidence and in all probability, this accident could only have happened because the deceased shot out from the side road right into the path of the defendants and for this foolhardiness, the defendants are absolved from any blame whatsoever. I had accordingly dismissed the action with costs.

Claim dismissed.

Solicitors: *Mah-Kok & Din; Khoo & Sidhu; Shearn & Delamore.*

BALFOUR WILLIAMSON (S) PTE. LTD. v. GOLDEN LADY (M) SDN. BHD.

[O.C.J. (Yusoff Mohamed J.) February 26, 1984]
[Johore Bahru – Civil Suit No. 267 of 1980]

Bills of Exchange – Bills of exchange accepted and indorsed by defendants – Whether bills were accommodation bills – Principle "acceptor primarily liable on the bill" applied.

An acceptor is primarily liable on the bill.

CIVIL SUIT.

Abdul Raman Hj. Saad for the plaintiffs.
Chin Yew Meng for the defendants.

Yusoff Mohamed J.: In this appeal against the Senior Assistant Registrar's decision disallowing interlocutory judgment to the plaintiffs, the arguments were short and straightforward in that whether the 17 bills of exchange drawn by the plaintiffs to the total value of S$872,166.03 and accepted by the defendants were accommodation bills under section 28 of the Bills of Exchange Act 1949 (Act 204).

In their Statement of defence as well as in their affidavit in reply dated May 30, 1981, deposed by Lee Lip Chong, Manager of the defendants' company, the defendants do not specifically deny that all the bills referred to were accepted and indorsed by them, Golden Lady (M) Sdn. Bhd., but the denial is in respect of liability to all except for one Bill dated June 16, 1978 to the value of $24,177.00. All the bills, nevertheless bear their company's embossment and signatures of their directors. The reason advanced by the defendants is that these bills were drawn as a result of a devious arrangement by the plaintiffs in order to accommodate further financial facilities which had been accorded to its Singapore sister company known as Golden (Pte.) Ltd. by utilising the defendants' own confirming facilities with the plaintiffs. The deponent Lee Lip Chong was also the Managing Director of the Singapore company. Both the sister companies enjoy similar financial arrangements with the plaintiffs.

The only evidence advanced by the defendants to support this contention is a letter by Rodyk & Davidson, a firm of Solicitors, dated January 14, 1980 in its correspondence regarding the sister company in Singapore – Exhibit LLC-1 and deponent's own letter dated August 16, 1979 – Exhibit LLC-4. Although the letter LLC-1 does not dispute the Singapore company's debt of $800,000/- to the plaintiffs, it is nowhere stated that the debt was incurred arising from the alleged devious arrangement, nor is it stated in its account at Exhibits LLC-2 and 3 as such. In all probability, the debt was the Singapore company's earlier debt incurred from its own $1,000,000.00 confirming facilities with the plaintiffs.

I see no merit in this allegation of devious arrangement on the part of the plaintiffs as raised by the defendants and in my view it is a sham defence designed to delay proceedings. Without this defence the defendants cannot hold themselves as an accommodation party as defined in section 28(1) of Bills of Exchange Act, 1949.

In principle an acceptor is primarily liable on the bill. *Halsbury's* Laws of England, 4th Edition at paragraph 357 states:–

"Whenever a bill is accepted the acceptor is and remains the party primarily liable on the bill whatever may happen to the other parties, and whether any of the other parties are discharged or not. Should an indorser have to pay the bill, the acceptor by the fact of his acceptance is liable to indemnify him".

Upon these grounds the appeal is dismissed. Costs to the plaintiffs.

Appeal dismissed.

Solicitors: *Abdul Raman Saad & Associates, Allen & Gledhill.*